

ND RETIREMENT AND INVESTMENT OFFICE
Combined Balance Sheet
As of 9/30/2006

	As of <u>9-30-06</u>	As of <u>6-30-06</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,612,666,408	\$ 1,568,651,856
INTERNATIONAL EQUITIES	762,195,683	728,736,085
DOMESTIC FIXED INCOME	1,879,815,781	1,827,967,399
INTERNATIONAL FIXED INCOME	176,291,748	175,048,602
REAL ESTATE POOL	378,095,856	361,756,992
VENTURE CAPITAL	145,348,922	137,923,531
INVESTED CASH (NOTE 1)	<u>61,853,778</u>	<u>86,329,243</u>
 TOTAL INVESTMENTS	 5,016,268,176	 4,886,413,708
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	23,211,861	23,902,849
CONTRIBUTIONS/ASSESSMENTS REC	1,330,518	7,715,230
MISCELLANEOUS RECEIVABLES	<u>5,963</u>	<u>3,797</u>
 TOTAL RECEIVABLES	 24,548,342	 31,621,876
 OTHER ASSETS		
OPERATING CASH (NOTE 2)	9,383,298	9,827,265
DUE FROM OTHER AGENCIES (NOTE 3)	133,759	120,619
FIXED ASSETS (NET) (NOTE 4)	<u>1,035,729</u>	<u>1,035,729</u>
 TOTAL ASSETS	 <u>\$ 5,051,369,304</u>	 <u>\$ 4,929,019,197</u>
 LIABILITIES:		
ACCOUNTS PAYABLE	4,305,122	4,369,151
ACCRUED EXPENSES	524,255	492,643
CAPITAL LEASES PAYABLE	5,662	5,662
DUE TO OTHER AGENCIES (NOTE 5)	<u>133,760</u>	<u>120,619</u>
 TOTAL LIABILITIES	 4,968,799	 4,988,075
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	4,924,031,122	4,424,431,522
CASH IN DURING YEAR (NOTE 6)	69,187,850	390,918,734
CASH OUT DURING YEAR (NOTE 7)	94,359,615	319,323,971
NET INCREASE (DECREASE)	<u>147,541,148</u>	<u>428,004,837</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>5,046,400,505</u>	 <u>4,924,031,122</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 5,051,369,304</u>	 <u>\$ 4,929,019,197</u>

ND RETIREMENT AND INVESTMENT OFFICE
Combined Profit and Loss Statement
For the Month Ended 9/30/2006

	Month Ended <u>9-30-06</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 14,004,058	\$ 38,470,074
SECURITIES LENDING INCOME	2,667,980	7,871,816
	<u>16,672,038</u>	<u>46,341,890</u>
GAIN ON SALE OF INVESTMENTS	39,515,101	103,349,042
LOSS ON SALE OF INVESTMENTS	<u>15,700,718</u>	<u>61,199,628</u>
NET GAINS (LOSSES) INVESTMENTS	23,814,383	42,149,414
INVESTMENT EXPENSES	196,190	3,863,554
SECURITIES LENDING EXPENSES	<u>2,606,791</u>	<u>7,635,574</u>
NET INVESTMENT INCOME	37,683,440	76,992,176
NET APPREC (DEPREC) MARKET VALUE	27,894,173	92,469,529
MISCELLANEOUS INCOME/(EXPENSE)	<u>4,424</u>	<u>3,318</u>
TOTAL INVESTMENT INCOME	65,582,037	169,465,023
CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	2,910,848	3,666,348
PURCHASED SERVICE CREDIT (NOTE 9)	223,948	839,407
PENALTY & INTEREST (NOTE 10)	<u>248</u>	<u>1,167</u>
TOTAL ADDITIONS	<u>68,717,081</u>	<u>173,971,945</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	8,179,858	24,625,653
PARTIAL LUMP SUM BENEFITS PAID	45,991	513,849
REFUNDS TO MEMBER (NOTE 12)	<u>304,608</u>	<u>938,295</u>
TOTAL BENEFITS PAID	8,530,457	26,077,797
ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	78,973	244,007
OPERATING EXPENSES	52,982	108,993
EQUIPMENT	<u>0</u>	<u>0</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>131,955</u>	<u>353,000</u>
TOTAL DEDUCTIONS	<u>8,662,412</u>	<u>26,430,797</u>
NET INCREASE (DECREASE)	<u><u>\$ 60,054,669</u></u>	<u><u>\$ 147,541,148</u></u>

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
September 30, 2006

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2 **OPERATING CASH**

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3 **DUE FROM OTHER AGENCIES**

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 **FIXED ASSETS**

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5 **DUE TO OTHER AGENCIES**

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6 **CASH IN DURING YEAR**

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

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Notes to Combined Financial Statement
9/30/2006

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.